REMARKS/ARGUMENTS

Claims 1 and 3-11 are pending in the present application, of which claims 1, 9 and 10 are independent claims. Claim 2 has been previously canceled without prejudice or disclaimer.

Applicant wishes to conduct a telephone interview with Examiner Syed Zia and his supervisor, William R. Korzuch, shortly after the filing of this response. Applicant's representative will contact the Examiner to schedule a time for the telephone interview.

Allowable Subject Matter

Applicant thanks the Examiner for his indication that claims 5-8 would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicant respectfully submits that in light of the remarks presented herewith, each of the claims pending in the present application is allowable.

Claim Rejections under 35 USC § 102

Claims 1, 3, 4 and 9-11 stand rejected under 35 USC § 102(e) as anticipated by U.S. Pat. No. 6,675,164 ("Karmath").

Summary of Subject Matter Disclosed in the Specification

The following descriptive details are based on the specification. They are provided only for the convenience of the Examiner as part of the discussion presented herein, and are not intended to argue limitations which are unclaimed.

Disclosed embodiments relate to a system for automatically preventing a user from accessing an online service more than a predetermined number of times. Each time the user

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accesses the service, an equation is generated having a predetermined number of unknowns (n). Once the nth equation has been generated, it is possible to solve the system of equations to determine the identity of the user. Up until that time, the user's identity is protected.

Descriptive Summary of the Prior Art

Karmath relates to a data mining system for large, complex data sets. The system, which has many different applications, can be used to uncover patterns, associations, anomalies and other statistically significant structures in data. (See col. 6, lines 28-65 of Karmath).

Fig. 5 of Karmath, which is cited in the Office Action, depicts modules of the data mining system. A parallel object-oriented reading and displaying module 121 reads and displays data in different formats. The data contains data items with features. A parallel object-oriented identifying module 122 identifies data items and extracts relevant features for each data item. A parallel object-oriented dimension reduction module 123 for dimension reduction reduces the number of features for a data item. A parallel object-oriented pattern recognition algorithms module 124 performs pattern recognition. A database 125 stores the features for each data item as it is extracted. Appropriate modules are linked as necessary using a scripting language in linking system 126. (See col. 24, lines 32-60 of Karmath).

Arguments

The data mining system disclosed in Karmath, discussed above, is completely unrelated to controlling fraud in an electronic transaction system. It is unsurprising, then, that the Examiner has not found <u>anything</u> in Karmath that remotely resembles the features of the independent claims. Karmath, for example, does not disclose generating a system of

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independent equations which can be solved once a predetermined number of operations have been performed by the user, as recited in claim 1.

The Examiner seems to be reducing the claimed invention down to the concept of data mining and has merely cited various portions of Karmath that discuss the use of pattern recognition and feature extraction in data mining. The grounds of rejection offered by the Examiner are improper for a number of reasons. First, it is improper to disregard the specific words of the claim and base rejections on the "gist" of the invention, i.e., the general concept of the invention. Second, even if such a reduction of the claimed invention were proper, the Examiner has incorrectly characterized the claimed invention as relating to data mining and pattern recognition.

Accordingly, claim 1 is deemed to be patentable over Karmath.

Independent claims 9 and 10 recite features similar to claim 1 and are therefore also deemed to be patentable over the applied prior art for reasons discussed above with respect to claim 1.

Claims 2-8 and 11, which each depend from independent claim 1, distinguish the invention over the applied prior art for reasons discussed above in regard to independent claim 1 as well as on their own merits.

Conclusion

Based on all of the above, the present application is now in proper condition for allowance. Prompt and favorable action to this effect and early passing of this application to issue are respectfully solicited.

It is believed that no fees or charges are required at this time in connection with the present application. However, if any fees or charges are required at this time, they may be charged to our Patent and Trademark Office Deposit Account No. 03-2412.

Respectfully submitted,
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